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**From:** William Daniels [/O=REGENERON/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=WILLIAM.DANIELS]  
**Sent:** Thursday, August 16, 2012 6:25:52 PM  
**To:** Robert Krukowski; Robert Davis; Cathy Casey  
**Subject:** RE: CDF Funding  
**Attachments:** Regeneron CDF Funding Discussion.pdf

For meeting



Regeneron CDF  
Funding Discuss...

-----Original Appointment-----

**From:** William Daniels  
**Sent:** Wednesday, August 15, 2012 2:01 PM  
**To:** William Daniels; Robert Krukowski; Robert Davis; Cathy Casey  
**Subject:** CDF Funding  
**When:** Thursday, August 16, 2012 2:30 PM-3:30 PM (UTC-05:00) Eastern Time (US & Canada).  
**Where:** 866-740-1260 code: 8475763



## **Chronic Disease Fund: 2013 Funding**

### **Overview:**

The Chronic Disease Fund (CDF) assists patients throughout the United States who meet income qualification guidelines and have private insurance or a Medicare Part D plan but cannot afford the cost of their specialty therapeutics. Chronic Disease Fund currently supports patients with more than two dozen different diseases, including AMD and RVO. CDF is limited in the financial support it can provide for each disease, as it is based on the funding raised each year through mostly disease specific grants and contributions. 91 cents of every dollar goes directly to funding patients' out-of-pocket costs.

### **Objectives/Goal:**

- Ensure Sr. Management is aware of the CDF funding strategy and implications to the ELYEA franchise if CDF's funding for AMD/RVO were to run out in 2013.
- Provide adequate funding so that CDF's AMD/RVO specific funds have the resources available to provide assistance to patients in need through-out 2013.

### **2013 Considerations:**

- CDF Currently assists 20,000 patients with AMD
- 91% of donations become Direct to Patient Assistance (DTPA)
- CDF receives a vast majority of their funding as disease state specific
- Need for AMD population for 2013 is in excess of \$125 million dollars
- CDF management has communicated that for 2013, if every donor doesn't cover their market share the fund will be closed, potential impact:
  - Patients not starting and/or stopping therapy due to inability to afford out of pocket costs
  - Providers upset as program has never been closed due to lack of funding
- Regeneron 2012 funding based on lower market share than EYLEA has obtained
- Need to provide adequate funding for BOTH existing approved patients AND anticipated new patients
- Genetech may decrease funding to CDF AMD fund due to:
  - Decrease in market share due to EYLEA
  - Recent launch of Commercial Co-pay program
  - Recent approval for DME
- Regeneron overall charitable giving strategy
  - What is our goal
  - How is it determined and by whom
- Positive tax benefits of donation to CDF
- Potential lost sales if patients cannot afford copay without assistance
- Leverage potential cost savings at Lash into increased CDF donation

## Chronic Disease Fund Request & Rationale

CDF DTPA 2012	91%
AMD Cancellation Rate	20%
Projected Growth Rate by Disease	
AMD	0%
Total New Patient Funding Needed	\$ 22,795,604
Total Existing	\$ 17,223,736
Total Projected Funding Needed	\$ 40,019,341

	Rollover Patients Estimated Renewals	Projected New Patients by Quarter 2013			
		1st	2nd	3rd	4th
<u>Age Related Macular Degeneration Patients</u>	6,200	2,500	2,500	2,400	2,100
AMD 1 -Projected Funding Per Patient	\$ 2,750	\$ 2,750	\$ 2,750	\$ 2,750	\$ 2,250
AMD 2 -Projected Funding Per Patient	\$ 3,250	\$ 3,250	\$ 3,250	\$ 3,250	\$ 2,750
Projected Funding By Quarter	\$ 21,529,670	\$ 7,802,198	\$ 7,802,198	\$ 7,490,110	\$ 5,400,000
Cancellation	\$ 4,305,934	\$ 1,560,440	\$ 1,560,440	\$ 1,498,022	\$ 1,080,000
Projected Funding Needed By Quarter		\$ 6,241,758	\$ 6,241,758	\$ 5,992,088	\$ 4,320,000
Projected CY Funding	\$ 21,529,670	\$ 28,494,505			
Projected CY Funding Minus Cancellations	\$ 17,223,736	\$ 22,795,604			

## Regeneron Modified Estimate of CDF Need

CDF Quoted Population	20,000	Total New Patient Funding Needed	\$ 11,527,680	Potential Lost Sales (New)	\$8,207,784
Estimated Market Share	14%	Total Existing	\$ 5,612,308	Existing	\$4,662,000
Regeneron Patient Share	2,800	Total Projected Funding Needed	\$ 17,139,988		\$12,869,784

	Rollover Patients Estimated Renewals	Sales for Estimated Renewals	Potential Lost Sales July Fund Depletions 30% abandon rate
<u>Age Related Macular Degeneration Patients</u>	2,800	2,800	
Average copay	\$380	\$1,850	Patients 840
Average rollover cost (6x)	\$2,280	\$11,100	Sale Price \$1,850
Projected Funding Needed	\$7,015,385	\$31,080,000	remaining injections \$5,550
Cancellation	\$1,403,077	\$6,216,000	Lost Revenue \$4,662,000
Projected Renewal Funding	\$7,015,385	\$31,080,000	
Projected CY Funding Minus Cancellations	\$5,612,308	\$24,864,000	

Regeneron New Patients Modified Estimate % of new referrals (1642) approved	New Patients Modified Estimate 50%	Sales for Modified Estimate 50%	New Patients Modified Estimate 40%	Sales for Modified Estimate 40%	New Patients Modified Estimate 30%	Sales for Modified Estimate 30%
<u>Age Related Macular Degeneration Patients</u>	8,216	8,216	6,573	6,573	4,930	4,930
average copay	\$380	\$1,850	\$380	\$1,850	\$380	\$1,850
average rollover cost (7x)	\$2,660	\$12,950	\$2,660	\$12,950	\$2,660	\$12,950
Projected Funding Needed	\$24,016,000	\$106,397,200	\$19,212,800	\$85,117,760	\$14,409,600	\$63,838,320
Cancellation	\$4,803,200	\$21,279,440	\$3,842,560	\$17,023,552	\$2,881,920	\$12,767,664
Projected Renewal Funding	\$24,016,000	\$106,397,200	\$19,212,800	\$85,117,760	\$14,409,600	\$63,838,320
Projected CY Funding Minus Cancellations	\$19,212,800	\$85,117,760	\$15,370,240	\$68,094,208	\$11,527,680	\$51,070,656
	Potential Lost Sales July Fund Depletions 30% abandon rate		Potential Lost Sales July Fund Depletions 30% abandon rate		Potential Lost Sales July Fund Depletions 30% abandon rate	
	Patients 2,465		Patients 1,972		Patients 1,479	
	Sale Price \$1,850		Sale Price \$1,850		Sale Price \$1,850	
	remaining injections \$5,550		remaining injections \$5,550		remaining injections \$5,550	
	Lost Revenue \$13,679,640		Lost Revenue \$10,943,712		Lost Revenue \$8,207,784	